

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 841**

Introduced by Connealy, 16; Bromm, 23; Cudaback, 36; Hudkins, 21;  
Schimek, 27; Vrtiska, 1; Wehrbein, 2

Read first time January 20, 1999

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to scrap tires; to amend section 81-15,162,  
2 Reissue Revised Statutes of Nebraska, and sections  
3 81-15,160, 81-15,161.01, and 81-15,162.02, Revised  
4 Statutes Supplement, 1998; to change provisions relating  
5 to grants, cleanup, and a fee; to harmonize provisions;  
6 and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1                   Section 1.       Section 81-15,160, Revised Statutes  
2 Supplement, 1998, is amended to read:

3                   81-15,160.   (1) The Waste Reduction and Recycling  
4 Incentive Fund is created. The fund shall be administered by the  
5 Department of Environmental Quality. The fund shall consist of  
6 proceeds from the fees imposed pursuant to sections 81-15,159 to  
7 81-15,165.

8                   (2) The fund may be used for purposes which include, but  
9 are not limited to:

10                  (a) Technical and financial assistance to political  
11 subdivisions for creation of recycling systems and for modification  
12 of present recycling systems;

13                  (b) Recycling and waste reduction projects, including  
14 public education, planning, and technical assistance;

15                  (c) Market development for recyclable materials separated  
16 by generators, including public education, planning, and technical  
17 assistance;

18                  (d) Capital assistance for establishing private and  
19 public intermediate processing facilities for recyclable materials  
20 and facilities using recyclable materials in new products;

21                  (e) Programs which develop and implement composting of  
22 yard waste and composting with sewage sludge;

23                  (f) Technical assistance for waste reduction and waste  
24 exchange for waste generators;

25                  (g) Programs to assist communities and counties to  
26 develop and implement household hazardous waste management  
27 programs;

28                  (h) Incentive grants to political subdivisions to assist

1 and encourage the closure of landfills operating without a permit,  
2 the regional consolidation of solid waste disposal facilities  
3 operating with a permit, and the use of transfer stations. Grants  
4 awarded for programs involving land disposal shall include  
5 provisions for waste reduction and recycling; and

6 (i) Capital assistance for establishing private and  
7 public facilities to manufacture combustible waste products and to  
8 incinerate waste to generate and recover energy resources.

9 (3) No grant shall be made under section 81-15,161 to a  
10 political subdivision which operates a landfill operating without a  
11 permit unless the grant will be used to meet permit standards and  
12 the landfill is issued a permit within two years after the award of  
13 the grant.

14 (4) Priority for grants made under section 81-15,161  
15 shall be given to grant proposals that will be used for the  
16 recycling of tires or tire waste reduction, except that on or  
17 before June 30, ~~1999~~ 2002, grant proposals that will be used for  
18 the recycling of tires or tire waste reduction shall be submitted  
19 and considered under section 81-15,162.02 and shall not be funded  
20 from the Waste Reduction and Recycling Incentive Fund.

21 (5) The Department of Environmental Quality may receive  
22 gifts, bequests, and any other contributions for deposit in the  
23 fund. Any money in the fund available for investment shall be  
24 invested by the state investment officer pursuant to the Nebraska  
25 Capital Expansion Act and the Nebraska State Funds Investment Act.

26 Sec. 2. Section 81-15,161.01, Revised Statutes  
27 Supplement, 1998, is amended to read:

28 81-15,161.01. (1) The Scrap Tire Reduction and Recycling

1 Incentive Fund is created. The fund shall be administered by the  
2 department. The fund shall consist of the proceeds from the fees  
3 imposed pursuant to section 81-15,162.01 and, before July 1, ~~1999~~  
4 2002, proceeds from the fees imposed pursuant to section 81-15,162.  
5 The department may receive gifts, bequests, and any other  
6 contributions for credit to the fund. Any money in the fund  
7 available for investment shall be invested by the state investment  
8 officer pursuant to the Nebraska Capital Expansion Act and the  
9 Nebraska State Funds Investment Act.

10 (2) Money in the fund may be used for the development of  
11 a statewide program to facilitate the elimination of health and  
12 safety hazards caused by scrap tires and collection sites,  
13 including, but not limited to: Collection site abatement; the  
14 collection, management, and cleanup of scrap tires; regulation of  
15 permitted tire processors, tire collectors, collection sites, and  
16 tire haulers; research and studies to determine the technical and  
17 economic feasibility of uses of tire-derived products and to  
18 promote the production of such products; market development of  
19 tire-derived products, including planning and technical assistance;  
20 public education on scrap tire management; and grants to achieve  
21 these goals. It is not the intent of the Legislature that the  
22 state bear the responsibility to achieve these goals, but it is the  
23 intent of the Legislature that the state provide assistance,  
24 financial and otherwise, to political subdivisions and other  
25 entities, public, private, and nonprofit, to enable them to achieve  
26 these goals.

27 Sec. 3. Section 81-15,162, Reissue Revised Statutes of  
28 Nebraska, is amended to read:

1                   81-15,162.     (1) Commencing October 1, 1990, and ending  
2 June 30, 2002, there is hereby imposed a fee of one dollar on each  
3 tire of every new motor vehicle, trailer, or semitrailer sold at  
4 retail in this state. Such fee shall be collected by the county  
5 treasurer at the time of registration of the motor vehicle,  
6 trailer, or semitrailer and remitted to the Department of Revenue.

7                   (2) Commencing October 1, 1990, there is hereby imposed a  
8 fee of one dollar on every tire sold at retail in this state,  
9 including every farm tractor tire, which tires are not on a motor  
10 vehicle, trailer, or semitrailer pursuant to subsection (1) of this  
11 section. Such fee shall be collected from the purchaser by the  
12 tire retailer at the time of purchase and shall be remitted to the  
13 Department of Revenue.

14                  (3) For purposes of this section, tire shall have the  
15 definition found in section 81-15,159.02 and shall include a  
16 pneumatic and solid tire but shall not include a recapped or  
17 regrooved tire.

18                  (4) Subject to section 81-15,165, +

19                  ~~(a) On or before June 30, 1999,~~ the fees remitted to the  
20 Department of Revenue under this section shall be remitted to the  
21 State Treasurer for credit to the Scrap Tire Reduction and  
22 Recycling Incentive Fund. + and

23                  ~~(b) After June 30, 1999, the fees remitted to the~~  
24 ~~Department of Revenue under this section shall be remitted to the~~  
25 ~~State Treasurer for credit to the Waste Reduction and Recycling~~  
26 ~~Incentive Fund.~~

27                  Sec. 4.       Section 81-15,162.02, Revised Statutes  
28 Supplement, 1998, is amended to read:

1               81-15,162.02.     (1) The department shall deduct and  
2 withhold from the Scrap Tire Reduction and Recycling Incentive Fund  
3 an amount sufficient to reimburse itself for its costs of  
4 administration of the fund.

5               (2) The department may disburse (a) to any person up to  
6 one hundred percent of costs incurred in cleaning up collection  
7 sites existing on June 11, 1997, if such cleanup is complete no  
8 later than June 1, ~~1999~~ 2000, or (b) to a political subdivision up  
9 to one hundred percent of costs incurred in cleaning up collection  
10 sites existing on June 11, 1997, or created on or after such date  
11 if such cleanup is complete no later than June 1, ~~1999~~ 2000.

12              (3) Other eligible categories of disbursement which may  
13 be made from the fund to any person who applies to the department  
14 under subsection (4) of this section are:

15              (a) ~~Studies to determine economic and technical~~  
16 ~~feasibility of uses of scrap tire or tire-derived scrap tire~~  
17 ~~product, with disbursements of up to one hundred percent of the~~  
18 ~~cost of the study, depending on factors set out in subsection (4)~~  
19 ~~of this section~~ Reimbursement for the purchase of Nebraska crumb  
20 rubber with disbursement not to exceed fifty percent of the retail  
21 cost of the crumb rubber;

22              (b) Reimbursement for the purchase of tire-derived  
23 products which utilize a minimum of twenty-five percent recycled  
24 tire content, with disbursements not exceeding twenty-five percent  
25 of the product's retail cost;

26              (c) Participation in the capital costs of buildings,  
27 equipment, and other capital improvement needs or startup costs for  
28 scrap tire processing or manufacturing of tire-derived products,

1 with disbursements not exceeding fifty percent of the costs or five  
2 hundred thousand dollars, whichever is less;

3 (d) Participation in the capital costs of equipment,  
4 buildings, or other startup costs needed to establish collection  
5 sites or to collect and transport scrap tires, with disbursements  
6 not exceeding fifty percent of such costs;

7 (e) Cost-sharing for the manufacturing of tire-derived  
8 products, with disbursements not exceeding twenty dollars per ton  
9 or two hundred fifty thousand dollars, whichever is less, to any  
10 person annually;

11 (f) Cost-sharing for the processing of scrap tires, with  
12 disbursements not exceeding twenty dollars per ton or two hundred  
13 fifty thousand dollars, whichever is less, to any person annually;  
14 and

15 (g) Cost-sharing for the use of scrap tires for civil  
16 engineering applications for specified projects, with disbursements  
17 not exceeding twenty dollars per ton or two hundred fifty thousand  
18 dollars, whichever is less, to any person annually.

19 (4) The department shall develop an application form to  
20 be used by applicants for disbursement for cleanup costs as  
21 described in subsection (2) of this section or for disbursement of  
22 funds under subsection (3) of this section. The department shall  
23 prepare and distribute a schedule of eligible activities,  
24 conditions of funding, and application procedures, including any  
25 matching requirements, for disbursements made under this section.  
26 Decisions by the director on recipients of funding shall be made in  
27 a manner which furthers the purposes of recycling and reducing the  
28 number of scrap tires in Nebraska. In order to further the

1 purposes of section 81-15,159.01, the director shall give  
2 preference to projects which utilize scrap tires generated in  
3 Nebraska.

4 (5) The director may deny any application which he or she  
5 determines (a) is not in conformance with this section, (b) does  
6 not reflect reasonable costs for the type of project proposed, (c)  
7 contains inaccurate, incomplete, or misleading information in the  
8 application, or (d) would require the expenditure of funds beyond  
9 the fund's unobligated balance or any other reason which the  
10 director determines is necessary to properly administer this  
11 section.

12 No disbursements may be made under this section for scrap  
13 tire processing related to tire-derived fuel. The director may  
14 provide partial funding to any applicant for any of the reasons set  
15 out in this subsection.

16 (6) All disbursements made under this section shall be  
17 formalized by a written agreement between the department and all  
18 recipients of the disbursement. The agreement may include, but  
19 need not be limited to, the following conditions designed to  
20 protect the fund and ensure completion of the project: (a)  
21 Mechanics of funding disbursement; (b) any bidding requirements;  
22 (c) completion timelines for any deliverables; (d) record-keeping  
23 and reporting requirements; (e) security interest and insurance  
24 requirements on equipment; (f) forfeiture and repayment of funds;  
25 and (g) other conditions necessary or desirable to carry out this  
26 section.

27 Sec. 5. Original section 81-15,162, Reissue Revised  
28 Statutes of Nebraska, and sections 81-15,160, 81-15,161.01, and



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- 1 81-15,162.02, Revised Statutes Supplement, 1998, are repealed.